

## Message Text

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PAGE 01 KUWAIT 03848 210659Z

11

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /102 W

----- 056477

R 210453Z SEP 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3689

INFO AMEMBASSY JIDDA

AMEMBASSY LONDON

C O N F I D E N T I A L KUWAIT 3848

E.O. 11652: GDS

TAGS: ENGR, KU

SUBJ: GULF/BP NEGOTIATIONS WITH KUWAIT

REF: KUWAIT 3654

1. I TOOK ADVANTAGE OF SEPTEMBER 20 MEETING WITH KUWAITI OIL MINISTER KAZEMI ON UPCOMING OPEC OIL PRICE MEETING TO QUERY HIM CONCERNING RECENT TALKS IN GENEVA (SEPTEMBER 13-14) BETWEEN GOK AND GULF/BP ON KUWAITI TAKEOVER KUWAIT OIL COMPANY. KAZEMI SAID THAT HE HAD NOT YET RECEIVED A REPORT FROM CHIEF KUWAITI NEGOTIATOR (ALI KHALIFA), WHO CURRENTLY IS IN VIENNA. HOWEVER, HIS PUBLIC STATEMENTS ON SUBJECT STOOD. IF COMPANIES WERE UNWILLING TO MEET "FINAL" TERMS OFFERED BY GOK, THEIR ASSETS WOULD BE NATIONALIZED. KUWAIT COULD NOT NEGOTIATE FOREVER AND COULD NOT ALLOW COMPANIES CONTINUE TO ENJOY 21 CENTS A BARREL DIFFERENTIAL JUST BECAUSE NO FINAL AGREEMENT SIGNED. KUWAITI OFFER (15 CENT PER BARREL DISCOUNT ON CRUDE SOLD GULF & BP; 5 YEAR CRUDE CONTRACT, WITH TWO ADDITIONAL FIVE-YEAR INCREMENTS POSSIBLE; 60 MILLION DOLLAR COMPENSATION, I.E. "NET BOOK VALUE"), WAS REASONABLE AND HE HOPED UNILATERAL NATIONALIZATION COULD BE AVOIDED.

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PAGE 02 KUWAIT 03848 210659Z

2. DESPITE ABOVE, KAZEMI MADE CLEAR HE EXPECTED THAT AT LEAST GULF AND GOK WOULD CONTINUE TO ENJOY A MUTUALLY PROFITABLE RELATIONSHIP. IF AGREEMENT REACHED RE KOC, GOK WILLING TO ENTER INTO A NUMBER OF SPECIAL RELATIONSHIPS WITH GULF, INCLUDING POSSIBLE JOINT OPERATION OF REFINERY IN KUWAIT. WHILE GOK WOULD CONTROL PRODUCTION EXCLUSIVELY, US FIRMS WERE WELCOME TO DISCUSS WITH HIM POSSIBLE JOINT VENTURES IN DOWNSTREAM OPERATIONS.  
STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KUWAIT03848  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750327-0452  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 KUWAIT 3654  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Markings:**

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GULF/BP NEGOTIATIONS WITH KUWAIT  
**TAGS:** ENRG, KU  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006